Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Take 2 minutes to learn more on page 4

Blackfinch Ventures EIS Portfolios

Key Information Document

Purpose: This document provides you with key information about this investment product. It is not marketing material. The information is to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product: Blackfinch Ventures EIS Portfolios

Website: www.blackfinch.com

Customer Enquiries: 01452 717070

This Key Information Document is issued and approved by Blackfinch Investments Limited, which is authorised and regulated by the Financial Conduct Authority ("FCA") (FCA number: 153860).

Registered Address: 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH

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YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND

Type: Blackfinch Ventures EIS Portfolios is a discretionary portfolio management service.

Objectives: The product aims to provide long-term returns from investments held for a target period of 4–7 years whilst enabling investors to benefit from available EIS tax reliefs.

The objective is to invest in early-stage businesses with technology at their core that qualify for the Enterprise Investment Scheme (EIS). Investments will be made across at least ten such companies in multiple sectors to build a diverse portfolio.

Intended retail investor: The product is suitable for UK taxpayers who wish to make a long-term investment of up to £1,000,000 that benefits from EIS tax reliefs. Investors must be comfortable with exposure to small, unquoted, and illiquid companies and with the risks set out below. They must be able to bear the loss of all money they invest in the product. Investors who do not have investment experience should seek advice from an appropriately qualified investment adviser.

Term: The holding period for each investment is a minimum of three years, but it is expected to be 4–7 years and it may be much longer. Investments are illiquid and investors may not be able to cash them in early.

What are the risks and what could I get in return?

Risk Indicator: This product offers potentially high risks and rewards.

1 2 3 4 5 **6** 7

Lower risk — Higher risk

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact our capacity to pay you.

Investments are made in small, unquoted companies with little or no track record, which carry a high risk of failure. This product does not include any protection from future market performance so you could lose some or all of your investment.

Tax benefits depends on your personal circumstances, and you may lose them if there are changes to the EIS tax rules, if an investment loses its EIS qualification, or if you do not hold the investment for a minimum of 3 years.

Investment Performance Information

The Blackfinch EIS Portfolios ("EIS") invest in early-stage, private companies. These companies have the potential for strong returns but they carry high risk and it is highly likely that some will fail. The EIS's investment performance is therefore ultimately governed by the rate of these failures relative to the number and size of returns delivered by companies that succeed.

An investor's overall returns will be determined by the aggregate exit proceeds from the companies in their portfolio. These proceeds depend on the growth (or contraction) of each company, on the market pricing of comparable public companies when each achieves an exit, and on the availability of competing acquisition or investment interest at that time.

There is no directly applicable index for private venture capital investments. The EIS's performance may be compared to the FTSE Small Cap Index, which comprises smaller UK listed companies that are closest to the small private companies within the EIS. However, the EIS comprises fewer companies that are less liquid and generally much smaller, and can consequently be expected to show greater volatility.

What could affect my return positively?

The early-stage companies in which the EIS invests have the potential to grow rapidly to many times their initial size. Each portfolio company that does so increases the return to investors, and there is effectively no limit on the potential return available from a single company. Multiple successful exits would further enhance the overall return. A broad increase in the market pricing of tech companies would typically also increase the valuations and exit prices of many companies in an investor's EIS portfolio, and hence deliver a stronger return.

What could affect my return negatively?

The return would be lower if more investee companies fail, losing much or all of their initial value. Such an effect would be exacerbated if successful companies generate lower returns that are insufficient to offset the losses in others. A broad decrease in the market pricing of tech companies would typically also reduce returns.

The EIS is a long-term investment with returns delivered from the eventual sale of the investor's shares in each portfolio company. Severe adverse market conditions at the time of a sale would reduce the return from the company being sold. Although innovative tech businesses of the type invested in by the EIS can retain the potential to grow during challenging economic times, that growth may be slowed, and they may struggle to raise additional funds. An extended period of adverse conditions could therefore increase the number of portfolio companies that fail, as well as reducing the exit proceeds from those that succeed, further reducing the overall return.

What happens if Blackfinch Investments Limited is unable to pay out?

Blackfinch Investments Limited is a participant in the Financial Services Compensation Scheme (the "FSCS"). As a retail client you may be eligible to claim compensation from the FSCS in certain circumstances if we, any approved bank, our nominee company, or eligible custodian are in default. Most types of investment business are covered in full for the first £85,000 of any eligible claim. Not every investor is eligible to claim under this scheme: for further information please contact us, or the FSCS directly at https://www.fscs.org.uk/

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future. The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Cost over time

Investment £10,000 Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	1,076.00	1,076.00	1,987.80
Impact on return (RIY) per year	11.48%	4.46%	3.93%

The table shows the costs including the performance fee that would be paid if the returns received were those from a model portfolio of ten companies of which three fail, two give underlying returns of 150%, three of 200%, and two of 300%.

Composition of costs

The table below shows

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

The table shows the impact on return per year

One off costs	Entry costs	0.70%	*3% Portfolio Establishment Fee.* *The impact of the costs you pay when entering your investment.*
	Exit costs	0%	*The impact of the costs of exiting your investment.*
Ongoing costs	Portfolio transaction costs	0%	*The impact of the costs of us buying and selling underlying investments for the product.*
	Other ongoing costs	1.81%	*2% Annual Management Charge.* *The impact of the costs that we take each year for managing your investments.*
Incidental costs	Performance Fees	1.42%	*20% on returns above a hurdle of 130%. The impact of the performance fee.* *We take these from your investment if individual investments exceed the hurdle.*
	Carried interests	0%	*The impact of the carried interests.*

How long should I hold it and can I take my money out early?

The product is a long-term investment with most returns expected to be available from four to seven years from initial investment, with some potentially taking much longer.

It is not designed for money to be taken out early. Investments are made into small, early-stage unquoted companies for which there is no market. Early realisation of such investments would consequently be very difficult, is likely to take considerable time, and may only be possible at a significant loss if it all.

How can I complain?

You can complain to Blackfinch Investments Limited by phone on 01452 717070, in writing to Blackfinch Investments Limited, 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH, or by emailing complaints@blackfinch.com. You may request a copy of the complaints-handling procedure at any time.

Other relevant information

The cost, performance and risk calculations included in this key information document follow the methodology prescribed by EU rules. Further information on the product is available in the Blackfinch Ventures EIS Portfolios brochure.

We will invest your subscription in at least 10 companies, and we aim to do so within 12 months. Each company should qualify under the Enterprise Investment Scheme, which for eligible UK tax-payers offers 30% income tax relief. EIS investments are also exempt from Capital Gains Tax and benefit from further tax reliefs where applicable. Tax reliefs are dependent on individual circumstances and are subject to change.

Risks

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

What are the FCA key risks?

1 - You could lose all the money you invest
If the business you invest in fails, you are likely to lose 100% of the money you invested. Most start-up businesses fail.

2 - You are unlikely to be protected if something goes wrong
Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance. Try the FSCS investment protection checker (https://www.fscs.org.uk/check/investment-protection-checker).

Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection (https://www.financial-ombudsman.org.uk/consumers).

3 - You won't get your money back quickly
Even if the business you invest in is successful, it may take several years to get your money back. You are unlikely to be able to sell your investment early.

The most likely way to get your money back is if the business is bought by another business or lists its shares on an exchange such as the London Stock Exchange. These events are not common.

If you are investing in a start-up business, you should not expect to get your money back through dividends. Start-up businesses rarely pay these (https://www.financial-ombudsman.org.uk/consumers).

4 - Don't put all your eggs in one basket
Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.

A good rule of thumb is not to invest more than 10% of your money in high-risk investments (https://www.fca.org.uk/investsmart/5-questions-ask-you-invest).

5 - The value of your investment can be reduced
The percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares.

These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment.

If you are interested in learning more about how to protect yourself, visit the FCA's website (https://www.fca.org.uk/investsmart).